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NSC BRIEFING

12 March 1957

BACKGROUND--ITALY

- I. Segni's parliamentary position weakening:
 - A. Republicans announced 24 Feb their 5 deputies no longer bound support coalition.
 - B. In confidence vote 1 Mar Segni majority was only 4 (instead of normal 16.)
 - C. On 7 Mar Democratic Socialist secretary general offered to resign--not accepted.
- II. Socialist reunification picture confused.
 - A. Nenni Socialist congress (6-10 Feb) supported him in reunification policy, but Nenni failed to win control of central committee.
 - B. Democratic Socialist directorate has adopted wait-and-see attitude.
 1. Demo Soc Party congress set for 6-12 June.
- III. Communist Party continues to lose members--but retains control over Italy's largest labor confederation.
- IV. Timing of national elections--mandatory by June 1958--uncertain.
 - A. Fanfani, Christian Democratic party secretary, said to favor speed-up.
 - B. Other parties not ready.

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12 March 1957

ITALY: CURRENT POLITICAL SITUATION
(Keyed to OCB Progress Report of 13 Feb 57)

- I. Segni government's parliamentary position weakening.
 - A. On 24 February the Republican party, not represented in cabinet but hitherto part of Segni's 16-vote majority in the 590-man parliament, announced he could no longer count on the support of its five deputies.
 1. Republicans declared that they were seeking freedom of action in view of:
 - a. improvement in internal security resulting from the Communist party's crisis;
 - b. weakening of monarchists and neo-Fascists on the right;
 - c. the moves toward Socialist reunification.
 - B. On 1 March Segni won 385-277 vote of confidence on a motion connected with proposed legislation on farm labor contracts.
 1. Three of the 19 Democratic Socialists in his coalition abstained.
 2. There is still much disagreement within his cabinet on other provisions of the farm labor legislation.
 - C. On 7 March Matteo Matteotti offered his resignation as secretary general of the Democratic Socialist Party, in protest against controversial appointment on 3 March

of right-wing Christian Democrat Giuseppe Togni to head new Ministry of State Participation in Industry.

1. Matteotti, has long urged his party to quit the coalition government and rejoin the Nenni Socialists; he said the Republican move made it essential that the Democratic Socialists also assume freedom of action in preparing for the next elections.
2. The party directorate refused to accept Matteotti's resignation, and endeavored to placate him by agreeing to call party congress 6-12 June.

II. Status of Socialist reunification remains confused.

- A. Nenni Socialist congress 6-10 February supported Nenni's general policy of breaking with the Communists and rejoining the Democratic Socialists but refused to give him control of any part of the party machinery except the five-man secretariat.
- B. The Democratic Socialist Party directorate, in its 23 February meeting, adopted a wait-and-see policy on reunification by making it conditional on the future performance of Nenni's party in foreign policy matters and relations with the Communists.
- C. Major unresolved problems blocking formal reunification are:
 1. Status of Socialist organized labor.
 - a. Nenni Socialists insist unified party be represented in Communist-dominated General

b. Saragat's party holding out for labor organization free from Communist control.

2. A reunified party's foreign policy.

a. Although Nenni Socialist congress agreed accept NATO's defense purposes, they suggest a neutral zone in central Europe from Sweden to Mediterranean.

III. Weakening of the Communist party continues.

A. Party still losing members, some of them important intellectuals such as Ercle, and some officials in the Communist-dominated labor organization.

B. Despite such losses, party still controls Italy's largest labor organization thus has powerful weapon for recouping former prestige as principal champion of workers' interests.

IV. Timing of next national elections remains uncertain.

A. Christian Democratic Party secretary Fanfani has been reported in favor of holding elections before the scheduled June 1958 date.

B. Other parties appear not yet ready for elections, especially two Socialist parties negotiating for reunification.

C. Cabinet appointment of Togni, opposed by Social Democrats, Republicans and members of the Christian Democratic left wing, is rumored to have been engineered by Fanfani and may have been deliberate attempt to topple the government and force new elections this spring.